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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

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JEFF HATCH-MILLER, Chairman  
WILLIAM A. MUNDELL AZ CORP COMMISSION  
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IN THE MATTER OF THE APPLICATION OF  
GILA BEND POWER PARTNERS, L.L.C., OR  
THEIR ASSIGNEE(S), IN CONFORMANCE WITH  
REQUIREMENTS OF ARIZONA REVISED  
STATUTES SECTIONS 40-360-01 et seq., FOR A  
CERTIFICATE OF ENVIRONMENTAL  
COMPATIBILITY AUTHORIZING THE  
CONSTRUCTION OF A NATURAL GAS-FIRED,  
COMBINED CYCLE GENERATING PLANT,  
SWITCHYARD, AND RELATED FACILITIES IN  
THE TOWN OF GILA BEND, MARICOPA  
COUNTY, ARIZONA, LOCATED IN THE  
SOUTHWEST QUARTER OF SECTION 19,  
TOWNSHIP 5 SOUTH RANGE 5 WEST, GILA  
AND SALT RIVER BASE AND MERIDIAN.

DOCKET NO. L-00000V-00-0106

IN THE MATTER OF THE APPLICATION OF  
GILA BEND POWER PARTNERS AND ITS  
ASSIGNS IN CONFORMANCE WITH THE  
REQUIREMENTS OF ARIZONA REVISED  
STATUTES 40-360.03 AND 40-360.06 FOR A  
CERTIFICATE OF ENVIRONMENTAL  
COMPATIBILITY AUTHORIZING  
CONSTRUCTION OF ONE 500kV  
TRANSMISSION LINE AND THE  
WATERMELON SWITCHYARD IN MARICOPA  
COUNTY, ARIZONA ORIGINATING AT THE  
PROPOSED GILA BEND POWER PARTNERS  
POWER PROJECT LOCATED NORTHWEST OF  
THE CENTER OF THE TOWN OF GILA BEND,  
ARIZONA (SECTION 19, TOWNSHIP 5 SOUTH,  
RANGE 5 WEST, G&SRB&M) AND  
TERMINATING AT THE PROPOSED  
WATERMELON SWITCHYARD SECTION 22,  
TOWNSHIP 5 SOUTH, RANGE 4 WEST, A  
DISTANCE OF APPROXIMATELY 9 MILES.

DOCKET NO. L-00000V-01-0109

PROCEDURAL ORDER

**BY THE COMMISSION:**

On April 12, 2001, the Arizona Corporation Commission ("Commission") issued Decision No. 63552 in Docket No. L-00000V-00-0106 ("Case No. 106"). Decision No. 63552 granted Gila Bend Power Partners, L.L.C. ("GBPP") a Certificate of Environmental Compatibility ("CEC")

1 authorizing construction of a natural gas-fired, combined cycle generating plant, switchyard and  
2 related facilities. The CEC was granted upon 18 conditions, one of which is that the authorization to  
3 construct the project will expire five years from the date the Certificate is approved by the  
4 Commission unless construction is completed to the point that the plant is capable of operating at its  
5 rated capacity by that time; provided, however, that prior to such expiration the facility owner may  
6 request that the Commission extend the time limitation.

7 On June 21, 2001, the Commission issued Decision No. 63762 in Docket No. L-00000V-01-  
8 0109 ("Case No. 109"). ~~Decision No. 63762 granted GBPP a CEC to construct a 500 kV~~  
9 ~~transmission line, a 500 kV switchyard, and a 500 kV interconnection. The CEC was granted upon~~  
10 ~~five conditions, one of which is that the authorization to construct the facilities will expire five years~~  
11 ~~from the date the Certificate is approved by the Commission unless construction is completed to the~~  
12 ~~point that the 500 kV transmission line and 500 kV switchyard are capable of operating by that time;~~  
13 ~~provided, however, that prior to such expiration the applicant may request that the Commission~~  
14 ~~extend the time limitation.~~

15 On March 7, 2006, GBPP filed, in Case No. 106, an Application for Extension of Certificate  
16 of Environmental Compatibility, Request for Expedited Treatment and, to the Extent Necessary, an  
17 Interim Extension. GBPP requests that Decision No. 63552's deadline for completion of construction  
18 be extended until April 12, 2011, or in the alternative, that an interim extension be granted until the  
19 Commission can evaluate GBPP's request. GBPP states that it has not yet built the project authorized  
20 by Decision No. 63552 because it has not been economically viable to construct an additional power  
21 plant in the Palo Verde Hub area under current wholesale market conditions.

22 Also on March 7, 2006, GBPP filed, in Case No. 109, an Application for Extension of  
23 Certificate of Environmental Compatibility. GBPP requests that Decision No. 63762's deadline for  
24 completion of construction be extended until June 12, 2011. GBPP states that in order for the GBPP  
25 project to be viable, an extension must be granted in both Case No. 106 and Case No. 109.

26 On March 20, 2006, the Commission's Utilities Division Staff ("Staff") filed a memorandum  
27 in these dockets. Therein, Staff requested that, in response to GBPP's request for expedited  
28 treatment, Case. No. 106 and Case No. 109 be consolidated, and that GBPP's request for an interim

1 extension of time be granted. Staff requested that the April 12, 2006 and June 12, 2006 time  
 2 deadlines be temporarily extended to December 31, 2006, in order to allow Staff sufficient time to  
 3 properly review GBPP's time extension requests and to issue a Staff Report; to allow sufficient time  
 4 for a hearing, if it is determined that a hearing is required; and to allow time for Commission review  
 5 of any proposed order. Staff requested that its Staff Report be due no earlier than July 28, 2006.

6 At the Commission's Open Meeting on April 4, 2006, the Commission directed the Hearing  
 7 Division to issue a Procedural Order comporting with Staff's recommendations in the March 20,  
 8 2006 filing. The Commission further directed that the Procedural Order require GBPP to make an  
 9 additional filing for Staff review regarding the factual circumstances underlying GBPP's requests.

10 IT IS THEREFORE ORDERED that for purposes of evaluating Gila Bend Power Partners,  
 11 L.L.C.'s requests, Case No. 106 and Case No. 109 are hereby consolidated.

12 IT IS FURTHER ORDERED that the expiration of the authority to construct granted in  
 13 Decision No. 63552 is hereby extended to December 31, 2006.

14 IT IS FURTHER ORDERED that the expiration of the authority to construct granted in  
 15 Decision No. 63762 is hereby extended to December 31, 2006.

16 IT IS FURTHER ORDERED that Gila Bend Power Partners, L.L.C. shall file with  
 17 Commission Docket Control, no later than May 5, 2006, detailed information supporting its requests  
 18 for extensions of the expiration of authority to construct granted in Decision No. 63552 and Decision  
 19 No. 63762.

20 IT IS FURTHER ORDERED that the Commission's Utilities Division Staff shall file a Staff  
 21 Report on Gila Bend Power Partners, L.L.C.'s requests no later than August 15, 2006. The Staff  
 22 Report shall include a recommendation on the appropriate procedure to reach a Commission Decision  
 23 on Gila Bend Power Partners, L.L.C.'s requests.

24 ...

25 ...

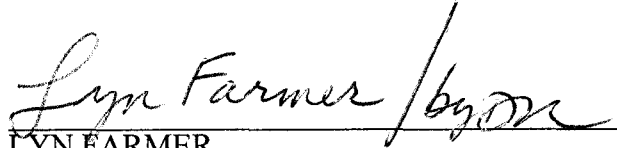
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IT IS FURTHER ORDERED that the Presiding Officer may rescind, alter, amend, or waive any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

Dated this 7<sup>th</sup> day of April, 2006

  
LYN FARMER  
CHIEF ADMINISTRATIVE LAW JUDGE

Copies of the foregoing mailed/delivered this 1 day of April, 2006 to:

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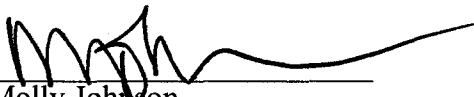
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